been prepared and is under consideration of the Goverments concerned.

(b) and (c) These details will be worked out after the draft MoU is operationalise.

Mega Export-Oriented Refinery

186. SHRI R.P. GOENKA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there is a proposal to set up a mega export-oriented refinery, with a 50-60 million tonne per annum capacity, to be built by the oil PSUs in collaboration with some leading international companies; and

(b) if so, the details thereof and its present status?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) While IOC have commissioned a study to examine the issue of increasing export-oriented refining capacity, at present Public Sector Oil Refineries do not have any proposal for setting up a mega export-oriented refinery.

(b) Does not arise in view of (a) above.

Relief from rise in oil prices

†187. SHRI P.K. MAHESHWARI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether indiscriminate and record increase in teh prices of diesel and petrol has been made in the country during the last one year;

(b) if so, the details thereof; and

(c) the efforts Government are making to provide relief to people from the burden continuously increasing on them?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a to (c) Since the end of 2003, there has been an unprecedented, sharp and spiraling increase in international oil prices combined with considerable week-to-week and even day-to-day volatility.

†Original notice of the question was received in Hindi.

The Indian Basket of crude oil touched an all-time high of US$ 57.27/bbl on 8-7-2005. Against the average Indian Crude Basket price of US$27.96/ bbl during 2003-04 and US$39.21 during 2004-05, the average for June 2005 was US$52.75/bbl.

With a view to containing the burden of the increase in international prices on consumers of sensitive petroleum products, it was decided that the burden should be equitably shared by consumers, the Government and Oil Companies. Government for its part, reduced the excise duty on petrol and diesel by 4% and 3% respectively effective 16.6.2004 and, effective 19.8.2004, the excise duty on petrol and diesel was further reduced by 3%. Government also reduced customs duty by 5% each on petrol and diesel with effect from 19.8.2004. In the Budget 2005-06, customs duty on crude was reduced from 10% to 5%, on kerosene and LPG from 5% to nil and on other petrleum products from 15-20% to 10%.

The Oil Marketing Companies (OMC), in accordance with administrative instructions, have been modulating impact of high oil prices on domestic retail prices of sensitive products, namely, PDS Kerosene, Domestic LPG, Petrol and Diesel. The prices of kerosene have remained unchanged since March 2002 and of Domestic LPG since November 2004. On 20 June 2005, petrol and diesel retail prices were raised by Rs. 2.50 and Rs. 2.00 per litre respectively.

Gas discoveries in the Bay of Bengal

188. SHRI MURLI DEORA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the recent Gas discoveries in the Bay of Bengal in the offshore blocks have created a buzz in the oil and gas market;

(b) whether geologists project that these gas reserves on the East Coast would surpass the gas reserves on South Coast; and

(c) if so, the details thereof and the reaction of Government thereon?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) Recently, gas has been found by Gujarat State Petroleum Corporation Ltd. (GSPC) during testing of exploration well KG#8 in the block KG-OSN-2001/3 awarded under the third round of